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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/506,808	02/18/2000	Masakatsu Mori	ASA-672	8316

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MATTINGLY, STANGER & MALUR, P.C.  
104 East Hume Avenue  
Alexandria, VA 22301

EXAMINER
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NGUYEN, CUONG H

ART UNIT	PAPER NUMBER
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3625

DATE MAILED: 02/26/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

**Office Action Summary**

Application No.

09/506,808

Applicant(s)

MORI ET AL.

Examiner

CUONG H. NGUYEN

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 12 August 2003.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 16-33 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 16-33 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☒ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☒ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☒ Certified copies of the priority documents have been received in Application No. 09/916,154.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)  | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftperson's Patent Drawing Review (PTO-948)                                    | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152)             |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)<br>Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____  |

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**DETAILED ACTION**

1. This Office Action is the answer to the communication received on 5/08/2003.

2. Claims 16-33 are pending in this application

**Drawings**

3. This application has been filed with formal drawings which currently are acceptable for examining purposes.

**Response**

4. The USPTO acknowledges that:

- a Notice of Appeal was filed on 10/22/2001, it was entered subsequently.
- A timely "Reply Under 37 CFR 1.116" filed 12/26/2001, was entered and was considered.
- A Final Office Action (mailed on 5/21/2001) was withdrawn.
- The followings are a new, non-final Office Action based on different grounds for rejection to provide USPTO's positions on pending claims 16-33.

This application contains Sensitive Application Warning issues in pending claims. While eBay.com (a US online auction network) does not use a "margin" it does use a mathematical equivalent in its proxy biddings. In the application, a user inputs a bid and a margin above the bid that the user is willing

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to spend if the bid is "outbid". In eBay.com, a user enter a maximum bid and the system automatically enters a minimum bid for said user. In other words, the margin is mathematically equal to the difference between the minimum and maximum bids in eBay.com. Ebay applies "proxy bidding" when there is a competition. It will automatically increase a buyer's bid up to said buyer stated maximum bid, mathematically similar to applicant's automatic increases from the bid up to the amount of said buyer stated margin. Fisher et al. (US Pat. 5,835,896 - filed on 3/29/1996) detail proxy bidding with a maximum bid like eBay (see **Fisher**, col. 9, lines 18-35); Fisher teaches a method and a system for processing and transmitting electronic auction information; wherein a "Proxy Bidding" feature is utilized, this is similar to the applicants' claim for "maximum margin bidding".

### ***Claim Rejections - 35 USC § 102***

The following is a quotation of the appropriate paragraph of 35 U.S.C. § 102 in view of the AIPA and H.R. 2215 that forms the basis for the rejections under this section made in the attached Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

35 U.S.C. § 102(e), as revised by the AIPA and H.R. 2215, applies to all qualifying references, except when the reference is a U.S. patent resulting directly or indirectly from an international application filed before November

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29, 2000. For such patents, the prior art date is determined under 35 U.S.C. § 102(e) as it existed prior to the amendment by the AIPA (pre-AIPA 35 U.S.C. § 102(e)).

5. Claims **16-20, 24-28, 32-33** are rejected under 35 U.S.C.

§ **102(e)** as being anticipate **Fisher** (US Pat. 5,835,896).

A. Referring to claim **32**: The claim is directed to an apparatus for performing an auction, **Fisher** teaches an system with a host terminal connected to a plurality of bidder terminals via a network (see **Fisher**, Fig.1), comprising:

- a storage device to collect prices and a highest possible range/(maximum margin)to pay for a product from bidders (see **Fisher**, Fig.1, 9:18-35 - please note that storing data has been well-known in using a storage device (i.e., see **Fisher**, Fig.1 a hard-drive of a computer server 250, or a floppy disk 248));

- a processor, connected to said storage device, executing following steps according to a software program (please note that this software program not being disclosed in details in the application's specification) (see **Fisher**, Fig.1, and the abstract; please note that a system's processor has been well-known in **Fisher**'s computerized system (a structure));

**Fisher** inherently uses a program to for controlling an auction: providing information (from a seller) or collecting information (from a buyer) on a product to be auctioned via Internet - see **Fisher**, Figs. 2-14 teach about an existence of a

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proposed maximum margin from a bidders in an auction process - it calls a proxy bidding (see **Fisher**, 9:18-35, 12:63 to 13:54).

Fisher does collecting a price for a product, and a highest possible price (this is equivalent to collecting a maximum margin from the concept of proxy bidding) of the price acceptable to pay proposed by each bidder (see **Fisher**, 9:18-35, 12:63 to 13:54); Fisher teaches that if the price proposed by one bidder equals to another bidder, selecting the highest possible price/(the maximum margins) of bidders from proxy biddings (see **Fisher**, Figs. 7-12, 9:18-35, 12:63 to 13:54).

B. Referring to claims 16, 24, 33: The limitations of these claims recite the same claim's limitations as claim 32 above whether they are directed to an apparatus, or a method. The same analysis and reasoning set forth in the rejection of claim 32 applied to these claims because they inherently contain means/apparatus/program codes to perform similar claimed functions/tasks that described in claim 32.

C. Referring to claims 17, 25:

**Fisher** also teaches a step of/(a means for) selecting a bidder with a highest possible price (selecting a "successful bid" - Fig.7, ref.66) based on a proxy bidding - increment prox. Bids as required (see **Fisher**, Fig.7).

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D. Referring to claims 19, 26: **Fisher** inherently teaches a step of/(a means for) collecting information of a product (e.g. made, or year, or model .etc., a cordless phone 5400 in **Fisher's** Fig.2).

- collecting bidding prices (see **Fisher**, Fig.7, ref. 64, "QUERY BID DATABASE FOR BIDS" this step inherently waits for a response for that query in an interactive environment in the Internet, then a user submits a proxy bid - see **Fisher**, 12:63 to 13:24).

E. Referring to claim 27: The limitations of this claim recite the same claim's limitations as claim 19 above. The same analysis and reasoning set forth in the rejection of claim 19 applied to this claim because it covers an apparatus for performing an auction having bidders on a network with means to perform exactly steps of claim 19.

F. Referring to claims 18, 26: **Fisher** inherently teaches a proxy bidding wherein a maximum margin is a difference between a price acceptable to pay and a desired price (see **Fisher**, 12:63 to 13:24).

G. Referring to claim 20: **Fisher** teaches a proxy bidding that resolving a bidding based on received prices (see **Fisher**, Figs.

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9-12 "SORT BIDS" then making comparisons among bids after applying proxy bidding requests).

H. Referring to claim 28: The limitations of this claim recite the same claim's limitations as claim 20 above. The same analysis and reasoning set forth in the rejection of claim 20 applied to this claim because it covers an apparatus for obviously performing an auction having bidders on a network with means to perform exactly steps of claim 20.

***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office Action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

6. Claims 22-23, 30-31, are rejected under 35 U.S.C. § 103(a) as being unpatentable over **Fisher** (US Pat. 5,835,896).

A. Referring to claims 22, 30: They are directed to an auction method wherein a collection step is performed before an auction starts.

The rationales for rejection for claim 16 are incorporated herein.



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The examiner submits that claim's limitation is really a designer's choice; it is well-known that a software program could be written to control CPUs to collect bidding prices before or during an auction. A collection step is not necessarily happened during an auction as Fisher's teaches.

It would be obvious to one with ordinary skill in the art at the time of invention to use Fisher's teachings for performing a collection step before an auction starts to save time in continuing bidding on a same item by utilizing proxy biddings.

The limitations of claim 30 recite the same claim's limitations as claim 22 above. The same analysis and reasoning set forth in the rejection of claim 22 applied to this claim because it covers an apparatus for obviously performing an auction having bidders on a network with means to perform exactly steps of claim 22.

B. Referring to claims 23, 31: The rationales for rejection for claim 16 are incorporated herein.

Fisher teaches an auction method comprising a step of determining a successful bidder with a highest proposed price (see **Fisher**, Fig.11 - refs. 98, 95).

The limitations of claim 31 recite the same claim's limitations as claim 23 above. The same analysis and reasoning set forth in the rejection of claim 23 applied to this claim

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because it covers an apparatus for obviously performing an auction having bidders on a network with means to perform exactly steps of claim 23.

7. Claims **21, 29** are rejected under 35 U.S.C. § 103(a) as being unpatentable over **Fisher** (US Pat. 5,835,896), in view of **Fujisaki** (US Pat. 4,789,928) or **Ausubel** (US Pat. 6,026,383).

It is directed to an auction method having a step of continuing an auction after a bidding decision.

The rationales for rejection for claim 16 are incorporated herein.

The examiner submits that this limitation is obvious in **Fujisaki** (see **Fujisaki**, Figs. 12 and 21; or see **Ausubel** 3:1-16 and 9:36-40).

It would be obvious to one with ordinary skill in the art to combine **Fisher** and **Fujisaki/Ausubel** for doing a step of continuing an auction after a bidding decision (i.e. CPU are automatically reset by a software program to start another cycle of bidding e.g. for another/subsequent item) because artisan would recognize that a step of automatically starting another cycle of bidding is logic and efficient in bidding processes.

The limitations of claim 29 recite the same claim's limitations as claim 21 above. The same analysis and

reasoning set forth in the rejection of claim 21 applied to this claim because it covers an apparatus for obviously performing an auction having bidders on a network with means to perform exactly steps of claim 21.

8. The examiner submits that one of ordinary skills in the art at the time of the invention would have found these above pending claim's limitations very obvious with inherent steps as suggested by cited prior art; prior art's limitations are not necessary spelled-out exactly claimed languages, because these prior arts are also directed to an equivalent process for obtaining the highest possible price/deal in an auction process. These prior art are not limited to the described embodiments in their inventions. It is reasonable that various modifications and variations of the described method and system of the cited prior art would be apparent to those skilled in the art without departing from the scope and spirit of their invention.

It would have been obvious to one of ordinary skill in the art at the time of invention to combine Fisher, and **Fujisaki or Ausubel's** inventions, because these information are readily available at that time, and they would provide a quick "negotiation" between buyers and seller, between bidders with selling agents and make a "best possible deal" on the user behalf, this combination would also help a seller to make a quick sell decision for unloading a

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merchandise from store's inventory. Furthermore, it is submitted that having customer(s) sending back over the Internet a notice/response about bidding is well-known because the advantage of interactive communicating over the Internet allows a buyer to do business with a seller anywhere in the world that has access to the Internet.

**Conclusion**

9. Claims 16-33 are rejected.
10. Any inquiry concerning this communication or earlier communications from the examiner should be directed to CUONG H. NGUYEN whose telephone number is 703-305-4553. The examiner can normally be reached on 7 am - 330 pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, JEFFREY A. SMITH can be reached on 703-308-3588. The fax phone number for the organization where this application or proceeding is assigned is 703-305-7687.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is 703-308-1113.

*Cuong H. Nguyen*

*CHN*  
CUONG H. NGUYEN  
Primary Examiner  
Art Unit 3625

2/24/04